



October 11, 2023

The Honorable Elizabeth Warren
309 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Chris Van Hollen
730 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Richard Blumenthal
706 Hart Senate Office Building
Washington, DC 20510

The Honorable Edward Markey
255 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Warren, Senator Blumenthal, Senator Van Hollen, and Senator Markey:

Thank you for your letter dated September 27, 2023. We appreciate the opportunity to answer your questions for Maximus Education, LLC, doing business as Aidvantage for the Department of Education (DoED) Office of Federal Student Aid (FSA), as we continue to support borrowers during the resumption of student loan payments.

Aidvantage works directly for FSA to communicate information to borrowers regarding return to repayment readiness. That information and how we communicate, is developed in collaboration with FSA, as new implementation plans, and borrower requirements are rolled out by FSA. In this role, our goal is to follow FSA direction as we provide the best service to the borrowers.

We understand that the resumption of student loan payments is unique in student loan servicing history. Accordingly, Maximus began planning, in coordination with FSA, well in advance of payment resumption. These efforts include:

- Both general and targeted outreach and emails to borrowers, supplementing those required by FSA.
- Proactive educational videos, available on YouTube and promoted through social media, informing borrowers of their rights and options.
- Updates to web pages and introduction of new Web Chat features to help borrowers prepare.
- Coordinated enhanced staffing with FSA to manage anticipated higher call volumes.

Maximus continues to work collaboratively with FSA to respond to these unprecedented times and enhance our ability to assist borrowers within FSA's limitations. This collaboration includes reviews of processing demands and improvements to the efficiency and speed of both processing and borrower engagement.

Maximus is steadfast in our effort to support borrowers and Federal Student Aid as we collectively navigate this unique period in student loan history.

Sincerely,

A handwritten signature in blue ink that reads "Bruce L. Caswell".

Bruce Caswell

President and Chief Executive Officer, Maximus, Inc.

A handwritten signature in blue ink that reads "Teresa A. Weipert".

Teresa Weipert

General Manager and President, Maximus Federal Services, Inc.

The answers to the questions requested are detailed below. The data presented is drawn from the period of September 1, 2023 through September 22, 2023.

Questions/Responses

1) What is the current average call wait time for borrowers before they are transferred to a customer service representative at your company?

While call volume from borrowers has been within 6% of our forecast, the time we spend on the phone with an average borrower (Average Handle Time) has increased by as much as 45%, which leads to longer wait times for subsequent borrowers. We understand how challenging this time is for all our borrowers and so we take time to not only answer their questions fully but provide proactive care to prepare them for their next steps. This results in superior borrower experience and provides as much information as needed so the borrower does not have to call back. These increases in call volume and Average Handle time currently result in an average call wait time of 28 minutes and 56 seconds.

a) What percent of borrowers that are placed on hold hang up before they speak with a company representative?

From September 1-22, 2023, 48.2% of callers hung up before speaking with a company representative.

b) What is your current call abandonment rate?

Answer is provided in (a) above.

2) How many steps does it take a borrower to navigate your Interactive Voice Response (IVR) menu from the time a call is connected until they are able to select an option to speak with a representative?

Requesting to speak to a representative can be accomplished in 2 steps.

a) How many minutes does it take a borrower, on average, to navigate your IVR and select an option to speak with a representative?

1 minute, 52 seconds.

b) Is the time it takes to navigate your IVR and select an option to speak with a representative included in the average call wait time metric provided in question #1?

No, wait time starts once they transfer out of the IVR.

i) If no, please provide an additional response that indicates the total amount of time, on average, it takes for a borrower to reach a representative at your company.

30 minutes, 48 seconds. (28 minutes, 56 seconds plus 1 minute, 52 seconds)

c) Is the time it takes to navigate your IVR and select an option to speak with a representative included in the abandon rate metric provided in question #1b?

No.

i) If no, please provide an additional response that indicates the total share of borrowers who contact your company but hang up before successfully navigating your IVR?

Our IVR, and overall system, is designed to improve the borrower experience by providing as many options as possible for resolving their questions and concerns. Many borrowers can fully self-serve



within the IVR or choose to go to our website for additional information. Overall, 22.6% of callers self-serve and conclude within the IVR. The remaining borrowers are directed to an agent for additional assistance.

d) Have the number of steps changed in the past 12 months and, if so, how?

No, we keep the number of steps to speak to a representative to a minimum.

3) What is the current average email response time for borrowers trying to get in touch with your company?

11 business days.

4) How many borrowers have been transferred to you through the Department's Fresh Start initiative?

We respectfully suggest that questions specifically regarding borrower status (including Fresh Start and IDR status) be directed to FSA for full and complete counts across all servicers.

a) Describe the specific outreach you have made to borrowers transferred to you through Fresh Start. How many of these borrowers have responded to your outreach?

b) How many of these borrowers have been placed in an IDR plan?

c) How many of these borrowers have set up an account with your company?

d) How many of these borrowers have you made successful contact with?

5) For each of the following months, what is your projected average and maximum call and email communication wait times?

a) October

b) November

c) December

Aidvantage has not, at this juncture, forecasted average wait times for call communications for these three months. Email communication projected wait times for October are 11-12 business days, for November are 9-10 business days, and for December are 5 business days.

6) If you offer scheduled callbacks, how many hours is the average borrower having to wait to get a callback?

To utilize staff in the most efficient way to support borrower inquiries, no callback is currently offered.



7) How many borrowers have complained about errors in calculating their monthly payment amounts?

Aidvantage has received 11 complaints regarding monthly payment amounts. None of these, upon review, were the result of any calculation errors.

a) What steps do you take to ensure borrowers' monthly payments were calculated appropriately?

When calculating monthly payments, we operate at the direction of FSA and follow their requirements and process.

In responding to the complaints indicated above, Aidvantage assisted borrowers with understanding information related to repayment programs and due dates and the status of pending IDR applications.

8) What percentage of your staff are fully trained and responding to borrower inquiries?

100%.

9) What guidance are you receiving from the Department of Education regarding customer service quality assurance in the context of return to repayment?

We respectfully suggest that questions regarding customer service quality assurance be directed to FSA.

10) What is your most recent Service Level Agreements (SLA) performance score for the following metrics?

a) Customer Satisfaction

FSA conducts third-party Customer Satisfaction surveys and retains the data for all servicers. We respectfully suggest that questions regarding Customer Satisfaction be directed to FSA.

b) Interaction Quality Monitoring

95.81% out of 100.

c) Accuracy rate.

N/A – this is not currently being measured by the FSA.

11) What guidance are you receiving from the Department of Education regarding how to report missed student loan payments to credit reporting agencies during the on-ramp?

As directed by FSA via the on-ramp program, borrower missed payments will not be reported to credit reporting agencies during the on-ramp period.

a) What do you report to credit reporting agencies if a borrower misses monthly payments during the on-ramp?

Per Federal Student Aid guidance, during the “On Ramp” period, Aidvantage will not report any borrower delinquent. If a borrower misses any monthly payments, Aidvantage will clear that delinquency before it reports out on the 90-day mark with an administrative forbearance. Aidvantage will report the account as deferred to the credit reporting agencies with:



- A Monthly Payment Amount of \$0
- A Scheduled Monthly Payment of \$0
- An amount past due of \$0
- No delinquency
- A Terms Frequency of 'D' (deferred)
- The Account Status code of '11' (current)
- The Payment History Profile will be 'D' to indicate accounts that were previously in repayment but are now deferred.

b) What are you telling borrowers regarding the consequences of missed payments during the on-ramp?

At the direction of FSA, as represented in the attached “Playbook,” we instruct borrowers that if they can make payments, they should do so. Please see Appendix A for Question and Answers provided by Federal Student Aid.

12) How many borrowers have been transferred to your company since February 1, 2020?

Aidvantage did not service borrowers on February 1, 2020.

Aidvantage has 9,008,308 current borrowers that were all transferred in since October 2021.

a) How many of these borrowers have you made successful contact with?

We have sent communications to all current borrowers.

b) How many of these borrowers have set up an account with your company?

6,011,861 of the total borrowers we manage have an online account. We expect more will complete this step over the next few months.

13) Describe the outreach to the over 2.5 million ED-backed FFEL borrowers about the benefits and risks of loan consolidation.

Information is provided on our web site regarding Loan Consolidation considerations and borrowers are directed to studentaid.gov for additional information.

14) Please provide the most recent version of the Return to Repayment, Student Debt Relief, and Income Driven Repayment New Communication Playbook.

Version 24 received 9/28/2023.



FSA Return to

Repayment New Communication Playbook

Appendix A FSA ON-RAMP – Question and Answers

QUESTIONS & ANSWERS REGARDING THE ON-RAMP ADMINISTRATIVE FORBEARANCE

Q: What is on-ramp?

A: Under legislation enacted by Congress, the student loan payment pause is ending and interest will begin accruing on September 1, and payments will be due in October. To help borrowers successfully return to repayment, the Department has created a temporary on-ramp to protect borrowers from the worst consequences of missed, late, or partial payments, such as negative credit reporting. However, borrowers who can make their payments should do so.

Q: What additional flexibilities does the on-ramp transition period allow?

A: Borrowers who can make their payments should do so. Borrowers unable to afford their payment should explore income-driven repayments plans, especially SAVE. However, for any borrower 90+ days delinquent who would be reported negatively to the credit bureaus,

- a retroactive administrative forbearance will be added,
- the account will no longer be considered delinquent, and
- negative credit reporting will not occur.

Q: What action does a borrower need to take to be eligible for the retroactive forbearance during the on-ramp transition period?

A: Borrowers who can make their payments should do so. If one or multiple payments are missed Servicers will evaluate any borrower 90+ days delinquent that would be reported negatively (delinquent) to the credit bureaus, add an administrative forbearance for the entire delinquency period, which will prevent any negative credit reporting from occurring.

Q: What type of forbearance will be applied during the on-ramp transition period?

A: An administrative forbearance will be applied.

Q: Will the interest rate be set to zero during the on-ramp transition period?

A: No. Payments are still due, and interest will continue to accrue.

Q: Will unpaid interest capitalize at the end of the on-ramp transition period?

A: No. Unpaid interest will not capitalize at the end of this on-ramp transition period. Even so, borrowers will be responsible for paying this additional interest balance first before paying their principal loan balance.

Servicers also may be required to amortize this additional interest balance into borrowers' monthly payment in the future so that the borrowers' loans will be paid off on time. If so, servicers will send to borrowers a notice of the amortization and the changed monthly payment amount.

Q: How long is the duration of the on-ramp transition period?

A: This on-ramp transition period will start on October 1, 2023, and last for one year ending on September 30, 2024.

Q: Will months for which the retroactive forbearance is applied count toward PSLF and/or IDR loan forgiveness?

A: No. Borrowers will not receive credit toward PSLF and/or IDR loan forgiveness if a retroactive forbearance is applied during the on-ramp transition period. Borrowers are encouraged to get onto an IDR repayment plan ([StudentAid.gov/idr](https://studentaid.gov/idr)), such as SAVE ([StudentAid.gov/save](https://studentaid.gov/save)), and into a regular payment pattern on that plan so payments will count toward forgiveness.

Q: Will months for which the retroactive forbearance is applied be considered under the Payment Count Adjustments toward the previously announced IDR Account Adjustment?

A: The IDR Account Adjustment corrects for periods of past extended forbearances. Any time in forbearance effective after the end of the COVID-19 payment pause but before we make the one-time adjust in 2024 will contribute to a borrower's 12- or 36-month forbearance thresholds.

Q: How will the servicers notify borrowers of the details of the on-ramp transition period or application of the retroactive forbearance?

A: Borrowers will be notified via direct email or postal mail (their preferred communication method) that they were retroactively placed into the On-Ramp administrative forbearance.

Q: Can a borrower request the on-ramp forbearance?

A: No. Borrowers who can make their payments should do so and if they are unable to afford their payment should explore income-driven repayments plans, especially SAVE. The on-ramp forbearance is a tool ED will use to help borrowers transition back into a regular payment pattern and prevent negative credit reporting consequences during the transition period.

